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Federal Communications Commission  
Office of the Secretary

Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Subject: Petition for amendment of CFR Title 47, Volume 1, Part 54

Commissioners,

Rules and regulations for the Universal Service Fund Program must be amended or repealed to prevent serious harms to telecommunications consumers. Current rules and regulations place no limits on contributions intended for Subparts B, C, and D, Universal Support for Rural, Insular and High Cost Areas.

USF contributions that are being levied on consumers by telecommunications providers have become a large percentage of their monthly bills. Under current rules and regulations, telecommunications carriers are permitted to "tax" their customers to pay for the expansion of services into rural, insular and high cost areas without regard to cost and accountability.

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CFR Title 47, Volume 1, Part 54 must be amended to eliminate, or roll back and cap, the amount of USF contributions that telecommunications carriers can pass on to consumers. Failing to do so has already allowed the rates of telephone service to increase beyond the point of affordability for people who are living on fixed incomes.

Amended rules and regulations are necessary to make it mandatory that all USF contributions be audited by independent auditors and to ensure that all carriers are truthful and not taxing their customers for equipment and facilities that do not meet the intended use of federal universal service support. Any and all infractions must carry punitive consequences of at least 100 times the amount of contribution support received by the carriers.

Amended rules and regulations are necessary to eliminate or limit the amount of monthly contributions that can be passed on to consumers. Telecommunications providers should not be given the authority to tax end-users, and the total amount of USF contributions should never exceed one U.S. dollar per month per single twisted copper pair, regardless of how many services are carried on that copper pair. It is unconscionable that a customer be charged separate USF contribution fees for local service, long distance service, and Internet service and for having a touch-tone telephone that use the same Local Exchange cable pair.

Amended rules and regulations are necessary to prohibit State mandated USF charges. These programs are duplicated efforts and create double-taxation on consumers.

Amended rules and regulations are necessary to investigate, restrain, and prosecute not-for-profit organizations, run by or supported by telephone providers, who solicit donations to accomplish the same goals as the Federal Universal Fund Program.

Amended rules and regulations are also necessary to restructure disbursements among the four components of the USF program. The highest priority should be for Low-Income support -- providing telephone service to qualifying low-income consumers. Low-income qualifications must be amended to take into account the high cost of medical care and medical insurance paid by consumers. The second highest priority should be for Rural Health Care. The third highest priority should be for Schools and Libraries -- helping to ensure that the nation's classrooms and libraries have access to educational resources that are accessible through the telecommunications network. And the lowest priority should be for the High-Cost component of the program -- providing financial support to companies that furnish telecommunications services in areas of America where the cost of providing service is high.

These amendments are necessary because the cumulative effect of the added fees: State taxes, Municipal taxes, Federal excise tax, 911 recovery charges, LNP recovery charges, Federal and State USF charges, FCC authorized charges for Network Access, and Telecom Relay service charges, has made telephone service unaffordable for a growing number of U.S. citizens.

Commissioners, I implore you to take immediate action on this request and to review all, and eliminate many, of the added fees that have been tacked on to basic telephone service. Failing to do so will make telephone service only affordable for the wealthy and would be admitting that the telecommunications companies have been entrusted to make the rules and regulations.

Thank you in advance for helping me keep my telephone in service. If you are successful, I will be able to answer your call at (217) 235-2663.

Respectfully submitted,

Art Varga